

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director


DATE: March 6, 1995

SUBJECT: **SB 301 - HB 1151**

This bill, if enacted, will require any contractor, who bids on state construction projects, to provide health insurance for their employees as a condition of being awarded state contracts.

The fiscal impact from enactment of this bill is estimated to be an increase in state expenditures from the Highway Fund of \$7.5 million as a result of costs being passed on to the state in the form of higher construction bids. (This estimate is based on average state construction of \$200 million with 33% of this amount being for labor, or \$66 million. At an average hourly rate of \$17.50, there would be an estimated 3,771,425 hours multiplied times an average hourly insurance rate of \$2 an hour for a cost of \$7,542,850.)

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.


James A. Davenport, Executive Director